



MULTISTATE TAX COMMISSION

**To: Members, Executive Committee**

**From: Frank Hales, Audit Committee Chair  
Lee Baerlocher, Vice Chair**

**Date: October 21, 2019**

**Subject: Report of the Audit Committee**

---

The Audit Committee met on August 5, 2019, in Boise, Idaho. This was the first meeting of the committee in fiscal year 2020. There were 66 members, guests, and staff present during the public session and 67 members and staff present during the closed session of the meeting. There were two members of the public present during the public session and there were 56 individuals representing 25 audit program states present during the closed session of the meeting.

During the closed session of the meeting the committee reviewed the status of all the audits in progress. A discussion was held on several income tax and sales tax audits that had significant issues.

The time had come to add new companies to the program's sales tax audit inventory. The committee reviewed the companies recommended for a sales tax audit, along with the voting results by the member states regarding those companies. The audit committee voted to add ten of those companies to the audit inventory. Bruce Fort and Chris Barber from the Commission's legal division provided an update on recent state and local tax cases.

As is customary, the committee ended the meeting with a round table discussion regarding audit leads and issues that individual states are experiencing.

The next meeting of the Audit Committee will be held during the Commission's Spring Committee meetings in Alexandria, Virginia, April 21st through 24th.